

# Table of Contents

<b>1. Background .....</b>	<b>1</b>
<b>2. The Features, Principles and Benefits of a Social Market Economy .....</b>	<b>3</b>
<b>    2.1 Background and Features of the Social Market Economy Concept.....</b>	<b>3</b>
<b>    2.2 Principles of a Social Market Economy.....</b>	<b>5</b>
2.2.1 Freedom and individualism .....	5
2.2.2 Order.....	6
2.2.3 Justice .....	6
2.2.4 Responsibility.....	7
2.2.5 Performance orientation .....	7
2.2.6 Competition on the merits .....	8
2.2.7 Solidarity.....	8
2.2.8 Subsidiarity .....	9
2.2.9 Common welfare .....	9
<b>    2.3 The benefits of the Social Market Economy .....</b>	<b>10</b>
<b>3. State of Uganda's Economy and Economic Policies with Regard to Social Market Economy Principles .....</b>	<b>13</b>
<b>    3.1 Competitive Order.....</b>	<b>13</b>
<b>    3.2 Market System and Free Access to the Market .....</b>	<b>17</b>
<b>    3.3 Private Property.....</b>	<b>18</b>
3.3.1 Uganda's land laws .....	19
3.3.2 Uganda's labour laws .....	23
3.3.3 Capital ownership and privatisation .....	24
<b>    3.4 Freedom of Contract .....</b>	<b>24</b>
<b>    3.5 Rule of Law.....</b>	<b>25</b>
<b>    3.6 Regular and Steady Economic Policy.....</b>	<b>27</b>
3.6.1 Overview of Uganda's policy regimes, recovery and growth trends.....	27
3.6.2 Evolution of the economy during the period 1990-2010.....	31

<b>3.7 Uganda's Monetary Policy .....</b>	<b>38</b>
3.7.1 Inflation rate.....	39
3.7.2 Exchange rate .....	40
<b>3.8 State Intervention in the Case of Market Failure.....</b>	<b>41</b>
<b>3.9 Uganda's Fiscal Policy.....</b>	<b>45</b>
<b>3.10 Social Balance and Social Security .....</b>	<b>49</b>
3.10.1 Tax policy.....	49
3.10.2 Social security system .....	56
<b>3.11 Provision of Public Goods by the State.....</b>	<b>59</b>
<b>4 Applicability of Social Market Economy Principles in Uganda .....</b>	<b>65</b>
<b>4.1 Ugandan Policies and their Adherence to Social Market Economy Principles .....</b>	<b>65</b>
<b>4.2 Principles of Social Market Economy with Potential to Positively Influence Economic Policies in Uganda ..</b>	<b>73</b>
<b>4.3 The Relevance of the Social Market Economy Concept to Uganda.....</b>	<b>76</b>
<b>5. Summary and Conclusion .....</b>	<b>79</b>